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INFO SOUTHERN AF DEVELOPMENT COMMUNITY COLLECTIVE  
AMEMBASSY BUJUMBURA  
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AMEMBASSY LONDON  
AMEMBASSY MUSCAT  
AMEMBASSY NAIROBI  
AMEMBASSY PARIS  
USMISSION USAU ADDIS ABABA  
CIA WASHINGTON DC  
CJTF HOA//J3  
CDR USAFRICOM STUTTGART GE

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SUBJECT: ZANZIBAR: CDA MEETS WITH PRESIDENT KARUME

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Classified By: CDA Larry Andre for reason 1.4 (b) and (d).

11. (U) INTRODUCTION AND SUMMARY: On 24 February CDA and Zanzibar Affairs Officer (ZAO) met with Zanzibar President Amani Abeid Karume for a tour d'horizon courtesy call at which the CDA also introduced the ZAO and explained the concept of American Presence Posts (APPs) and the U.S. intent in establishing the ZAO position. The two reviewed American engagement in Zanzibar, and Karume spoke about his most salient achievements during his eight-years in office (Karume is scheduled to step down in 2010). Karume welcomed follow-up briefings by the Millennium Challenge Account (MCC) and Peace Corps Country Directors on their respective activities in Zanzibar. Karume seemed to take for granted that reconciliation between the islands and between the ruling CCM party and the opposition CUF were all but settled. He took a nationalistic stance viz-a-viz the Union with Tanzania, remaining pro-Union but with a need for a balance of power even more favorable to Zanzibar. END INTRODUCTION AND SUMMARY.

12. (SBU) On the establishment of a U.S. Embassy Zanzibar Affairs Office/APP, Karume said the Tanzanian Ministry of Foreign Affairs had asked him for his views on the matter about a year ago. Karume welcomed the idea and asked that any incoming U.S. official be given agreement with the title "Consul," with the hope that a U.S. Embassy field office on Zanzibar might eventually be upgraded to the status of Consulate and include visa and Consular services. Karume reviewed the 175-year history of U.S. diplomatic engagement on Zanzibar, mentioning distinguished former American consuls such as Frank Carlucci and Thomas Pickering. He said that an American office in Zanzibar would be a "seal of approval" that the archipelago was "on the map" and open for renewed tourism and business. He hoped other nations would then follow the American lead. (NOTE: Zanzibar hosts permanent Consulates of China, India, Oman, Egypt and Mozambique, but other countries are served through Consular agents and circuit riders. END NOTE). On U.S. disease control efforts, Karume praised our AIDS and malaria activities. He thought the malaria work was particularly important, recalling that he himself had been a victim of malaria.

Karume on Reconciliation  
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13. (SBU) CDA broadened the discussion by asking Karume what he thought his "legacy" would be after completing his term of office, less than two years away (Karume will leave office in

2010 and is prevented from running again after two five-year terms of office). Karume said that when he became President in 2000, the political landscape was one of "acrimony," with a high degree of polarization. He said that previously relations between the main islands of Pemba and Unguja were "lukewarm at best," and as late as 1995 Pemban protesters would break schools and contaminate wells" to show their dissatisfaction that the government had made no effort at engagement. Since then Karume said he has been successful in bringing people together, and today Zanzibaris make little distinction about what island one is from. He said a key to this achievement was the establishment of "Development Committees (DCs)." The DCs, he explained, were bipartisan teams established at the District level to parse out funds and activities of the Tanzanian Social Action Fund, which was sponsored by the World Bank. Under the fund, at least 20% of local projects needed to be self-generated either by "cash or kind." In that way, local development was achieved together by communities and owned together, regardless of party affiliation. Prior to his presidency, Karume claimed that such progress had never before occurred.

¶4. (U) On "Muafaka," the negotiations between ruling party CCM and opposition CUF to work out a power sharing deal (which broke down in May 2008 after an ad ref agreement that the CCM side said should be put to a referendum and the CUF side said should be implemented by the CCM government), Karume said the "people should be the ones to decide." After a public vote on Muafaka (which both parties would jointly campaign in favor of), Karume said that both parties should then campaign during the 2010 General Elections on the basis of the same agreement, greatly lowering strife. What remained now was for CUF to come back to the table to discuss the best way to explain the agreement to the people, he said.

#### Karume on Economic Reform

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¶5. (SBU) Karume seemed most proud of his "behind-the-scenes" effort to straighten out Zanzibar's budget and move Social Security and the Zanzibar "People's Bank" back into solvency.

Karume said that when he took office, there were up to three-month salary arrearages owed to government employees. "That's now history," he boasted. Eight years ago he said the People's Bank was heavily in debt due to Zanzibar Government borrowing. Karume said he put a moratorium on government borrowing from the bank, still in effect, and he began a strict repayment regime. The Zanzibar Government is still a major share holder in the bank, so that when the bank started to get back on its feet, he was able to roll over the Government's dividends back into the repayment regime such that now the loan payments are self-sustaining. He said that the Bank of Tanzania is the regulating authority of the People's Bank, and recently the BoT has issued a permanent license to the People's Bank.

¶6. (U) On Social Security, which is a public-private financed institution, Karume said that before his mandate the Zanzibar government was not paying its share of salary contributions (Note: Government remains the largest employer in Zanzibar). Karume said that when he straightened out the wage problem, concomitant with that he brought the Government back in line with its Social Security obligations.

#### Karume on Infrastructure and Education

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¶7. (SBU) The thing that most visitors notice when they visit Zanzibar, Karume said, was its good quality road network, especially in comparison with mainland Tanzania. Good roads were key to most other development, Karume believed. He said his "obsession" with roads sprang from his first trip to the U.S. back in 1975, where he saw that good roads were key to internal cohesion and economic power. He started pushing for roads after his return, but as a young functionary in the Finance Ministry he was laughed at. He got himself transferred to the Ministry of Communications and Transport in 1978 and was able to make some progress before he left

public life. When he returned to politics in 1990, he was put in charge of the Zanzibar's Ministry of Trade and Industries, a job he said he "hated." In 1995 he was at last able to head the Communications and Transport Ministry and start road building. Most of the main land arteries are now completed, he said, and with the proper repairs they should be suitable for the next 20-30 years. Zanzibar has ordered more heavy equipment to keep the momentum. Seaports and especially the airport were now in Karume's sights for refurbishment. In that regard, he said he would soon meet with Parkington of the International Finance Corporation of the World bank to try to finalize a deal for a new international airport.

¶8. (U) Karume said he was the "pioneer" in establishing a modern telecommunications network for Zanzibar. "Zantel," the premier phone and internet service on the archipelago (and one that is a strong competitor on the mainland as well), was Karume's "brainchild." Karume said he started it in 1996 while still a Minister, and today the Government still has an 18% stake. Karume boasted that Zanzibar has its own gateway, totally independent of any mainland Tanzanian entity. International calling costs are lower in Zanzibar, he claimed. He said a recent study showed a 50% phone density for Zanzibar which rivals any other place in Africa.

¶9. (U) On education, Karume claimed that almost 100% of Zanzibari children get some kind of schooling. Now focus should be on Secondary Schools. He was working with the World Bank to build 20 new schools in Zanzibar's 10 districts. He said that key to education in the modern world was mastery of English and asked if the U.S. could help with that focus. Given the present shortage of teachers at all levels, he praised the contributions of Peace Corps volunteers and said Zanzibar could absorb as many as we were willing to send.

Karume on Zanzibar's Union with Tanzania  
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¶10. (SBU) "Now that Zanzibar was stepping over he hurdle of reconciliation," its "national strengths," like unity of language (Swahili) and religion (Islam) and identity (Zanzibari) within a diverse and multi-ethnic population primed it to be the engine of growth and dynamism for the region, Karume said. In that regard, he said Zanzibar was probably better off than mainland Tanzania, with its 126 different tribes. He reminded CDA that the U.S. was involved in Zanzibar long before there ever was a Tanganyika, let alone a Tanzania. The purpose of the Union was for two emerging nations to share resources, not to undermine each other. Therefore, there was natural resentment over any "institutional disarmament of Zanzibaris."

¶11. (SBU) CDA suggested that there were some on the mainland who thought perhaps Zanzibaris wielded more clout in the Union -- 20% of Parliament seats, for example -- than in proportion to their population (just over three percent of Tanzania). Zanzibaris could own real estate in the mainland, but mainlanders could not purchase property in Zanzibar. On the land question, Karume pointed to Zanzibar's small size and high population density: about 1000 sq. miles with about 1.2 million people. There simply was not the same level of competition for housing and land on the mainland, he asserted. Karume likened Zanzibar's position vis-a-vis the mainland with the UK and Europe, recalling that the UK opted out of Schengen. "Island nations are different," he said.

¶12. (U) About Zanzibar's political role in Tanzania, Karume said Zanzibaris fear getting "swallowed up and losing their cultural identity." "I should know, I'm their President!" he said. Zanzibar might have greater per capita Parliamentary representation than mainlanders, but Zanzibar gave up a big part of its sovereignty in the bargain, he asserted. On issues like telecoms, Karume said he needed permission from the capital in Dodoma to have a Zanzibar phone system for Zanzibaris.

¶13. (C) Making clear that he was offering his personal opinion as opposed to stating CCM's party position or that of the government (NOTE: in addition to being President, Karume is Zanzibar CCM SYG. END NOTE), Karume said he was sympathetic to what has been a CUF proposal to have a three-tier system: a Government of Tanganyika (mainland), a Government of Zanzibar and a Union Government of Tanzania. The idea of a political alliance between two nations could be more transparent under such a system, he said. As it was, Tanganyika blurs its needs with those of Tanzania, and Zanzibar suffers as a result. Sure, Karume admitted, such a structure would run the risk of sub-dividing Tanzania into still more sub-regions, a possibility that would fly in the face of national founder Julius Nyerere's determination to prevent regionalism. However, Karume said that in his opinion, "regionalism was ok if done well because it brings development closer to the people. If handled right, the country won't fall apart," he said.

¶14. (SBU) Karume concluded the talk by saying that Zanzibar was different from the mainland and also from other nations in the region because Zanzibar went through a revolution to gain its freedom. Zanzibaris had to go through great hardship to be where they are now. "It takes a great deal for people to rise up against their own government," he said, "so no one wants to repeat the same mistakes. The children of the Revolution think differently than their fathers." There was hard work ahead, and the current government was trying its best. Karume concluded by averring that his government had made "more progress than mistakes."

COMMENT:

¶15. (SBU) ZAO knows of no observer of Zanzibar politics who shares President Karume's stated belief that reconciliation between CUF and CCM, or even between Pemba and Unguja, is a fait accompli. The recent CCM rallies held in Pemba and in Unguja and the heated CUF response (Ref B), not to mention the ongoing malaise in Pemba (ref A), suggest that continued animosity against Karume and his CCM government is not only still existent, but may be on the rise. Meanwhile, Karume's views on the Union reflect mainstream Zanzibari views. In fact, the "three tier" government idea is part of opposition CUF's electoral platform, not CCMs. Obtaining more power for Zanzibar is something that all faction seem to agree on.

ANDRE